

DEPARTMENT of PUBLIC WORKS

County of Lassen



LARRY MILLAR, Director
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2020/5

January 14, 2020

To: Board of Supervisors

From: Larry Millar, Director

Subject: Resolution establishing Pledge of Revenue for Financial Assurance on the Gravier Pit, CA Mine ID# 91-18-0028, in the amount of \$95,000.

RECOMMENDATION: That the Board of Supervisor's approve Resolution No. 20-____, "Resolution Establishing Pledge of Revenue For Gravier Pit To Satisfy Requirements Of Section 2773.1 Public Resources Code For Financial Assurance To Reclaim Open Pit Mines."

DISCUSSION: The Road Department has obtained Use Permit #2005-088 for the operation of an open pit mine, Gravier Pit, CA Mine 91-18-0028, located on Gravier Lane off U.S. Highway 395 near Doyle, California.

The existing Pledge of Revenue for this site needs to be revised to reflect the recently approved cost estimate, in the amount of \$86,030.88, for the 2019 Financial Assurance Cost Estimate (FACE). The increase is mainly due to higher equipment rental rates and increases to prevailing wages.

It is recommended that the current required Pledge of Revenue for the Gravier Pit be increased by approximately 10% to \$95,000 to provide some capacity for minor changes in future Financial Assurance Cost Estimates.

The attached Resolution replaces the current Pledge of Revenue for the Gravier Pit, Resolution 08-050 approved on October 28, 2008, in the amount of \$83,954.93. Overall increase of approximately \$11,000.

ALTERNATIVES: Do not approve financial assurance.

FINANCIAL IMPACT: A Pledge of Revenue from the Road Fund 122 for financial assurance for the reclamation plan on the Gravier Pit in the amount of \$95,000.

OTHER AGENCY INVOLVEMENT: None

DEPARTMENTAL APPROVAL: _____

Handwritten signature of Larry D. Millar in blue ink.

REVIEWED FOR AGENDA: _____

RESOLUTION NO. 20 –

RESOLUTION ESTABLISHING PLEDGE OF REVENUE FOR THE GRAVIER PIT (CA MINE ID #91-18-0028) TO SATISFY REQUIREMENTS OF SECTION 2773.1 PUBLIC RESOURCES CODE FOR FINANCIAL ASSURANCE TO RECLAIM OPEN PIT MINES

WHEREAS, Lassen County Department of Public Works (Road Division) operates an open pit mine known as the Gravier Pit; and

WHEREAS, this pit shall remain a valid aggregate source until the year 2046; and

WHEREAS, Lassen County has control of a portion of State Gas Tax and Forest Reserve Funds for road purposes, known as the Road Fund, which is a separate budget account from the General Fund; and

WHEREAS, the Lassen County Community Development Department as Lead Agency approved Use Permit #2005-088, Reclamation Plan and 2019 Financial Assurance of \$86,030.99 for the operations at the Gravier Pit.

WHEREAS, Lassen County Department of Public Works (Road Division) recommends that the current required Pledge of Revenue be increased by approximately 10% to \$95,000 to provide some capacity for minor changes in future Financial Assurance Cost Estimates.

NOW, THEREFORE, BE IT RESOLVED by the Lassen County Board of Supervisors, State of California that \$95,000 of the Road Fund be used as a Pledge of Revenue for the above stated purpose, to be renewed each fiscal year and adjusted annually, if necessary, to a minimum equal the current approved Financial Assurance Cost Estimate (FACE), which will be prepared annually, in accordance with the requirements of the Surface Mining and Reclamation Act (SMARA).

BE IT FURTHER RESOLVED that the Pledge of Revenue shall remain in place until release has been approved by written consent and authorized signatures of both the lead agency (Lassen County) and the Department of Conservation.

BE IT FURTHER RESOLVED that if the Lassen County Department of Public Works (Road Division) ceases at any time to retain control of its ability to allocate any pledged revenue to conduct and complete reclamation, the Department shall notify the lead agency and the Department of Conservation and shall obtain alternative coverage within 60 days after control lapses.

BE IT FURTHER RESOLVED that this resolution authorizes the lead agency or the Department of Conservation to use the proceeds of said pledge to conduct and complete reclamation as the lead agency or the Department of Conservation determines the operator is incapable of performing (pursuant to California Public Resources Code § 2773.1).

The foregoing resolution was adopted at a meeting of the Board of Supervisors of Lassen County, California, held on the 14th day of January, 2020 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Chairman of the Board of Supervisors
County of Lassen, State of California

ATTEST:

Julie Bustamante
Clerk of the Board

BY _____
Michele Yderraga, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a regular meeting thereof held on the 14th day of January, 2020.

Deputy Clerk of the County of Lassen
Board of Supervisors